

WHAT IS CLAIMED IS:

1. A method comprising:
decomposing each of a plurality of home mortgage loans into a plurality
of sub-loan level cash flows;
repackaging the plurality of sub-loan level cash flows to form a plurality
5 of financial assets backed by the plurality of sub-loan level cash flows;
making a determination of accounting rules that apply to the plurality of
financial assets; and
storing and tracking accounting data for the plurality of financial assets
based at least in part on the accounting rules.
- 10 2. A method according to claim 1, wherein the plurality of sub-loan
level cash flows include a first plurality of sub-loan level cash flows derived
from principal payments of a borrower, a second plurality of sub-loan level
cash flows derived from interest payments of a borrower, and a third plurality
of sub-loan level cash flows derived from borrower-paid fees.
- 15 3. A method according to claim 2, wherein the plurality of sub-loan
level cash flows include a sub-loan cash flow that is a negative cash flow from
a perspective of one or more owners of the plurality of financial assets, the
negative sub-loan cash flow being associated with expenses incurred in
connection with the respective loan and arising from borrower default.
- 20 4. A method according to claim 2, wherein the second plurality of
sub-loan level cash flows derived from interest payments include a cash flow
associated with servicing fees, a cash flow associated with guarantee fees,
and a cash flow associated with pass through interest.
- 25 5. A method according to claim 1, further comprising storing
information pertaining to a mapping relationship between the plurality of
financial assets and the plurality of sub-loan level cash flows, the mapping
relationship describing a manner in which cash flows flowing into each of the

plurality of financial assets are traceable back to the plurality of sub-loan level cash flows.

6. A method according to claim 5, further comprising displaying the information pertaining to the mapping relationship to a human operator, the
5 displaying step being performed by a computer-implemented cash flow repackaging tool used by the human operator.

7. A method according to claim 5, further including applying accounting logic configured to apply accounting rules to the plurality of financial assets.

10 8. A method according to claim 1, further comprising displaying the impact of accounting on the financial performance of the plurality of financial assets.

9. A method according to claim 1, further comprising analyzing financial risk associated with the plurality of sub-loan level cash flows and
15 displaying a graphical representation of the financial risk to a human operator, the analyzing and displaying steps being performed by computer-implemented financial engineering tools in consideration of accounting rules.

10. A method according to claim 1, wherein at least one of the plurality of financial assets is a financial instrument backed borrower paid fees
20 and not by principal or interest, and wherein the method further comprises paying an owner of the financial instrument with funds derived from proceeds of borrower paid fees.

11. A packet that packages cash flows from financial instruments, the packet comprising:

25 packet description data having creation, purpose, and transaction information data describing the packet;

a data map including information on cash flows that flow into the packet; and

process instructions including information on cash flow processing for the cash flows that flow into the packet and accounting treatment for the packet.

12. The packet of claim 11, wherein the packet description data,
5 data map, and process instructions decouple inbound cash flows from
outbound cash flows, thereby accommodating transactions with indirect
segregation of cash flows.

13. The method of claim 12, wherein transactions with less direct
segregation of cash flows include transactions having cash flows in a non-
10 fixed format.

14. The method of claim 11, wherein the information on accounting
is configured to facilitate accounting for the packet in compliance with
accounting rules.

15. The packet of claim 11, wherein packet description data
15 includes packet type information indicating the type of cash flow associated
with the packet.

16. The packet of claim 15, wherein the packet is created based at
least in part on the type of cash flow and the financial impact of one or more
accounting rules based on the type of cash flow.

20 17. The packet of claim 11, further comprising an indication of a
packet state.

18. The packet of claim 17, wherein the packet state is capable of
being any of the following packet states: pre-packet, pending packet, and
production packet.

25 19. The packet of claim 11, wherein sources of cash flows include
any one of loan remittances, percentages of loan remittances, pool
distributions, and securities.

20. A method comprising:
acquiring a home mortgage loan having a loan asset and a servicing
asset;
compensating a servicer that performs servicing of the loan during a
5 term of the loan, wherein compensation provided to the servicer does not
decrease through time during the term of the loan; and
accounting for the compensation provided to the servicer, including
relating the compensation to the value of the home mortgage loan.

21. A method according to claim 20, wherein the loan comprises a
10 loan asset and a servicing asset, the loan asset comprising a right to receive
loan payments from a borrower in connection with the loan, the loan
payments comprising a principal payment portion and an interest payment
portion, the servicing asset comprising a right to receive a servicing fee
portion of the interest payment portion in exchange for performing servicing of
15 the loan, wherein the servicing fee portion of each loan payment decreases as
an unpaid principal balance of the loan decreases.

22. A method according to claim 21, wherein compensation
provided to the servicer is substantially fixed during the term of the loan.

23. A method according to claim 21, wherein compensation
20 provided to the servicer increases during the term of the loan.

24. A method according to claim 21, wherein relating the
compensation to the home mortgage loan includes valuing the compensation
based on the value of the home mortgage loan.